

**Department of the Treasury  
Federal Advisory Committee on Insurance**

**Membership Balance Plan**

Pursuant to 41 C.F.R. §102-3.30(c) and 41 C.F.R. §102-3.60(b)(3), this Membership Balance Plan for the Federal Advisory Committee on Insurance of the Federal Insurance Office (FIO) is being provided as part of the charter establishment plan and describes how the Department of the Treasury, acting principally through the FIO, intends to maintain a fairly balanced membership for the Federal Advisory Committee on Insurance.

- (1) Name. The Federal Advisory Committee on Insurance (FACI).
- (2) Authority. The Charter for the FACI is prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. App. 2.
- (3) Mission/Function. The FACI's purpose is to provide advice and recommendations to the Federal Insurance Office (FIO) to assist the FIO in carrying out its duties and authorities.

The FACI advises the FIO with regard to furthering the mission of the FIO and its Director as (1) advisor to the Secretary of the Treasury on major domestic and prudential international insurance policy issues; (2) monitor of all aspects of the insurance industry, including identifying issues or gaps in the regulation of insurers that could contribute to a systemic crisis in the insurance industry or the U.S. financial system; (3) advisor to the Financial Stability Oversight Council; (4) coordinator and developer of Federal policy on prudential aspects of international insurance matters, including representing the United States in international insurance forums; (5) assistant to the Secretary of the Treasury who (with the United States Trade Representative) has certain authorities related to written bilateral or multilateral agreements regarding prudential insurance measures, or with respect to the business of insurance or reinsurance; (6) monitor of access to affordable insurance by certain communities and consumers; and (7) receiver and collector of data and information on and from the insurance industry and insurers, and disseminator of data, information, and reports. The FACI will conduct its work in coordination with the FIO. The Director of the FIO will decide what information will be disseminated to the FACI for use in its work.

(4) Points of View.

(a) Subject Matter/Technical Expertise. The subject matter or technical expertise that is necessary to accomplish the tasks of the FACI includes an understanding of the policies, regulation, organization and operations affecting insurance, including the role played by State and Tribal insurance regulators, the role and issues faced by insurance consumers and communities, including underserved consumers and communities, and the insurance industry. Expertise and familiarity with the unique issues surrounding insurance is critical for the FACI's members. Experience as either a State or Tribal Insurance Commissioner, or official, a senior leader or respected professional within an insurance industry sector, a respected academic expert on insurance, or an expert on issues facing

insurance consumers, including underserved insurance consumers, is critical to the efforts of the FACI.

(b) Areas of Expertise. Members should be knowledgeable of domestic and international insurance issues affecting insurance and reinsurance companies, their affiliates, and their financial holding companies and groups. Members should be familiar with economic, financial, legal, and policy implications of developments related to insurance and reinsurance companies and markets.

Members should have expertise in insurance markets, market participants, products, distribution systems as well as general operations of insurance and reinsurance companies, how they are examined, regulated, and supervised. Knowledge of the U.S. State and international regulatory environment, accounting, financial reporting, solvency, resolution, and applicable model and State laws and regulations is expected.

Members should also have extensive knowledge of issues affecting insurance policyholders, claimants, beneficiaries, and other insurance product customers, as well as the provision of affordable insurance to underserved, minority, and low/moderate income consumers.

(c) Service as Members. Members who are designated as Representative are representative of the perspective of a certain group of similarly situated persons who have an interest in the subject of the discussion. Members who are designated as Special Government Employees are appointed to exercise their own individual best judgment on behalf of the Government.

The factors to be considered in making an employment status determination for advisory committee members include the express language of the advisory committee's enabling documents; whether the prospective committee member will receive compensation other than travel expenses for his or her services on the committee; whether the prospective committee member was selected through an appointment process that used outside recommendations; and whether the prospective committee member will be supervised by a Federal government employee. Any new members will be reviewed using the same standard that was used for the current members. Membership balance is not static and may change, depending on the work of the FACI.

(5) Other Balance Factors. The other balance factors that FIO identified as important for the FACI's membership include geographic diversity, and diversity in the area of industry expertise (property & casualty, life and annuities, reinsurance, and insurance intermediaries), and of consumer and community expertise. The composition of the FACI will reflect a diverse set of perspectives from across regulatory jurisdictions and industry sectors.

(6) Candidate Identification Process.

(a) Cross-section. The FIO will solicit nominations for the FACI by placing a notice in the *Federal Register* and by contacting interested persons as well as national groups with membership interested in the areas of insurance related to the FIO's duties and authorities.

(b) Agency staff involved. The review process for the members of the FACI will be performed by the FIO.

(c) Vacancies. Vacancies will be filled as promptly as possible, using a process to match as closely as possible the balance and diversity characteristics of the departing member.

(d) Term limits. Beginning after November 2, 2013, each member is appointed or reappointed for a term of three years. The first term of a member that begins after November 2, 2013 may be for a one, two, or three year term to provide staggered terms.

(7) Subcommittee Balance. At this time, the FACI has 3 subcommittees whose membership was selected by the FACI itself in a manner designed to ensure a balanced membership consistent with this plan. Any additional subcommittees will be selected in a manner to ensure balanced membership consistent with this plan.

(8) Other. The FIO will take other steps as may be necessary to promote a balanced membership on the FACI.

(9) Date Prepared. This Membership Balance Plan was initially prepared on May 2, 2011, and revised on July 16, 2013.